



REQUEST FOR PROPOSALS

RFP # 06-14

HOTEL MARKET STUDY AND DEVELOPMENT

DUE DATE: DECEMBER 3, 2014

**REQUESTS FOR ADDITIONAL INFORMATION DUE:
NOVEMBER 14, 2014 BY 2:00 PM CST**

Hotel Market Study and Development Package

November 2014

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Introduction

The City of Wichita Falls Texas requests proposals for professional services to conduct a market feasibility study and provide an analysis with recommendations on potential financial incentives to incorporate in a total development package to entice development of a full service convention hotel to be located in close proximity to the Multi-Purpose Events Center (MPEC) convention facilities.

Overview

The City of Wichita Falls wishes to provide the necessary incentives for the private development of a convention center full service hotel to be located in close proximity to the Multi-Purpose Events Center (MPEC) convention facilities located at 1000 5th Street, Wichita Falls, Texas, 76301. A specific hotel site has not been designated and, as a part of this RFP, the successful bidder shall provide an analysis and priority designation of those potential sites in and around MPEC. The analysis shall list the advantages and disadvantages of each site and the basis for the final designation listing by the bidder.

The study should address

- Current and projected market demand for the hotel stays in the immediate area in and around Wichita Falls, Texas.
- Analysis of current and potential conference business and analysis of hotel market to meet that demand.
- An analysis and ranking of potential hotel sites with advantages and disadvantages listed for each site. Site identification analysis shall include a review of necessary city infrastructure to include, but not be limited to, road and site improvements that will be required as part of the total development package.

- A competitive analysis on what a new full service hotel impact will have on the convention and general market as well as projections to be financially viable.
- Identification and analysis of potential incentives that could be offered in a total development package for a full service hotel to be located in close proximity to the convention facilities.

The analysis provided by the successful bidder will be provided to potential hotel developers, management companies and brands who express interest in participating in a hotel project.

The RFP may be broken down in the following phases, or other divisions based on the firm's recommended approach for similar projects.

- **Phase 1** – Feasibility for a full service hotel development
- **Phase 2** – Site selection
- **Phase 3** – Identification of financial incentives and projected operating proformas

Community

Located in the south-central United States in north-central Texas, Wichita Falls is linked to major southwestern, western, and mid-western cities by Interstate 44, US Highways 82, 281, 277, 287 and Texas State Route 79. Wichita Falls is approximately an hour and thirty minutes driving time northwest of the Dallas/Fort Worth Metroplex, 15 miles from the Red River that marks the Texas-Oklahoma border, and an hour and forty-five minutes driving time south of Oklahoma City. The city is located in the cross-timbers area of the gently rolling north-central plains and is dissected by The Wichita River. Due to Wichita Falls' geographic location, the city serves as a regional economic hub for north Texas and south central Oklahoma.

Wichita Falls has a proud history dating back to the early 1700's when the Wichita Indians migrated to the Red River area. The name Wichita is derived from the Choctaw word, "wiachitoh," which means "big arbor," a description of the grass-thatched arbors in the Wichita's village. During the late 1700's, Comanches and Apaches also lived in the area. All three tribes remained in the area until the 1830's.

The City gained its name from a Wichita Indian encampment near a small waterfall along the Wichita River. Anglo-American settlers were drawn to the area during the 1860's with the lure of vast, grass-rich prairies making the area home to the infamous North Texas cattle barons. In need of money, the Texas Republic sold land certificates for fifty cents per acre. The original 640 acres that were to become the city were rumored to have been won by John A. Scott in a poker game. In 1882, the City became the county seat and was accessed by the Fort Worth and Denver City railroad that would prove to be the first of several systems to serve Wichita Falls. Oats, wheat, and cotton crops were plentiful and drove the city's economy during the early 1900's. World War I brought with it a drought, an Army aviation training facility, and "black gold". The Fowler No. 1 well in nearby Burkburnett became the area's first deep-well strike, and in 1919 the 4,000 feet wide and three-mile long pool produced 3.3 million barrels of oil. With 40% of the state's petroleum production coming from Wichita County, the population had grown to 40,079 by 1940. In 1945, Sheppard Field training center had 46,650 men and was the largest concentration of air troops in the world. Nicknamed the "Factory City", Wichita Falls had over 100 manufacturing companies in the 1950's.

With 101,724 people in 1960, the self-proclaimed "Shiniest Buckle in the Sun Belt" was at an all-time high. The economy continued on a strong track until the 1985 downturn in domestic oil production. Throughout much of its very colorful history, the oil and gas industry reigned as king in North Texas.

Today, Wichita Falls has a more diversified economy. While agriculture and the oil and gas industry remain cornerstones of the regional economy, Wichita Falls has emerged as a regional hub for all forms of commerce ranging from the strong presence of manufacturing to regional health care services and regional retail centers.

Sheppard Air Force Base (SAFB) is the largest employer in the area. Active Duty Military, Military Dependents, Appropriated Fund Civilian, and Non-Appropriated Fund Civilians bring the base's total employment to 14,807. At any time SAFB averages over 5,000 student personnel on base. Sheppard AFB provides training for Army, Navy, Marine and Air Force personnel in areas such as aircraft maintenance, civil engineering, bio-medical equipment maintenance, dental technician, combat medicine and communications. Sheppard has always enjoyed an outstanding relationship with the Wichita Falls community. By actively participating in area events and programs, SAFB helps to create a diversified region. Likewise, by participating in SAFB activities, the community demonstrates its support for our men and women in uniform.

Most people want all of the convenience of a large city, but also want the advantages of living in a small town. Wichita Falls combines the best of both types of community. Wichita Falls offers a great quality of life. Wichitans are friendly and helpful and the crime rate is low -advantages often found in a small town. But, because of the regional nature of Wichita Falls, cultural and recreational activities are abundant, offering many of the advantages of the big city!

The list of cultural opportunities in Wichita Falls includes a professional symphony orchestra, two theaters for the performing arts, numerous art galleries and museums.

These venues are sprinkled throughout the city and provide a year-round selection of concerts, plays, and family entertainment.

The students at Midwestern State University present a wide variety of events showcasing their talents and visual artistry. Continuing education classes offered by MSU and the Parks and Recreation Department allow adults to experiment with their talents in painting, writing, dance, martial arts, photography, sculpture, and various crafts. The Wichita Falls Public Library houses over 193,064 books, tapes, and CDs and is located in downtown Wichita Falls.

The Kemp Center for the Arts is the headquarters for the area arts community. Built in 1917 as a library by founding father Joseph Kemp as a gift to his wife Flora, The Kemp Center for the Arts now includes year round events and gallery exhibits, classes and more. Downstairs, a gift shop offers works from local artists, while children and adults enjoy a wide variety of art classes. The NorthLight Gallery, the West End Studio, and What's Up Downstairs, present ever-changing visual art exhibits promoting local and regional art. The Great Hall is the setting for film, musical dance and theater performances. On the elegantly landscaped grounds, a Sculpture Garden, pond, and gazebo brings the arts outdoors. The Arts Council and the Wichita Falls Symphony Orchestra house their offices in the Kemp Center.

Wichita Falls is also proud of our Multi-Purpose Events Center (MPEC) which includes the 56,000 square foot Ray Clymer Exhibit Hall, and the 50,000 square foot J.S. Bridwell Agricultural Center. In addition to those facilities, the Kay Yeager Coliseum, a 6,500- seat venue, is the home of the Wichita Falls Wildcats hockey team and the Wichita Falls Nighthawks Indoor Football team. Beyond high octane sporting events,

the Kay Yeager Coliseum is the venue for numerous other events and concerts throughout the year.

The Wichita Falls Regional Airport will debut its new state-of-the-art terminal in December 2014 and will serve American Airlines/American Eagle. The airport offers daily flights to and from Dallas/Ft. Worth International Airport. The new Airport terminal compliments the City of Wichita Falls Travel Center facility that was completed in 2012 and serves as the bus transportation hub for local and regional bus lines.

Currently, there are 33 hotels in the Wichita Falls market with an inventory of economy and limited service rooms within the hotel properties. The Wichita Falls Convention & Visitors Bureau works to secure convention, conference and sports business travel, as well as promote the city as a leisure travel destination.

Scope of Work

Market Demand Analysis

1. Determine current and potential future lodging and hospitality demand in the market area
2. Review competitive facilities in the immediate region and surrounding metropolitan areas.
3. Conduct room inventory and meeting space/ballroom analysis
4. Analyze present marketing position strategies and provide recommendations for underserved markets and/or opportunities that can be targeted with a new full service hotel

5. Identify and determine current community needs and possible quality of life opportunities that would benefit from additional hotel space, and evaluate the economic opportunity for the City.
6. Conduct demand analysis
 - a. Primary and secondary market research
 - b. Identify potential users of a full service downtown hotel facility, including interview with potential users including meeting planners, event promoters, and/or other customers.

Project Feasibility Study

1. Determine the viability of a hospitality product adjacent to the Multi-Purpose Event Center based on the potential demand.
2. Identify financing constraints in the current market
3. Estimate capital investment required and the expected revenues returns needed to attract able investors.
4. Project economic impacts
 - a. Project impact on hotel room nights, including impact to other hospitality venues within the market area.
 - b. Project tax revenue increase to the city
 - c. Project economic impact on city restaurants and retailers
5. Address potential public incentives that could improve the viability and/or investment attraction for the project.

Optimal Site Selection

1. Determine site location(s) and provide a preferred ranking of the determined locations for a full service hotel adjacent to the Multi-Purpose Event Center based on:

- a. Property acquisition cost(s)
- b. Relationship to downtown commercial core and other amenities
- c. Vehicular and pedestrian access
- d. Parking
- e. Current land uses in the vicinity
- f. Advantages/disadvantages of the site versus alternative sites

Facility Recommendation

As part of the analysis, and based on the nature and kind of requirements associated with the identified potential users of the facility, and available sites, make recommendations for:

- Number and mix of guest rooms
- Room configuration
- Food and beverage concept
- Banquet and meeting space requirements
- Hotel flag affiliation
- Other facilities and amenities

Financial Projections

Provide detailed financial proformas for development, and incentive packages that can be provided to potential hotel developers, lending institutions, management companies and franchises that may be interested in participating in the hotel project.

Submission and Requirements for RFP

- Name and business information of the individual and/or firm responding to RFP

- Detailed curriculum vitae of those individuals, representing the firm that will be conducting the study.
- Professional references of those projects that most closely mirror this request in terms of scope and community that the responding firm has conducted similar studies. Include a brief summary of the purpose of the study and any measurable results to date.
- Detailed description on the approach and/or process that the firm will utilize to fulfill the requirements of this RFP
- Provide a description on the presentation of findings, analysis and recommendations that will enable the City to make an informed decision to proceed with this project.
- Provide a detailed description of professional fees that will be incurred. Fee proposals shall include detailed estimated out of pocket expense with a recommended “not to exceed” cap on such expenses.
- Provide a detailed schedule and time frame for completion of the study.

Proposals marked RFP # 06-14 HOTEL MARKET STUDY AND DEVELOPMENT shall be returned no later than 5:00 PM CST, DECEMBER 3, 2014 to:

Peggy Gahagan

1300 Seventh Street, Room 113

City of Wichita Falls Purchasing Director

Wichita Falls, TX 76301

Submittals shall include two (2) original copies, one bound and one unbound. All proposals, when submitted, shall become the property of the City of Wichita Falls, Texas.

PROPOSAL DOCUMENTS PROPOSAL DOCUMENTS MAY BE SECURED BY VISITING THE CITY'S WEB SITE WWW.WICHITAFALLSTX.GOV AND SELECTING THE ONLINE SERVICES ICON VENDORS CAN:

- Register to receive email notifications of upcoming bids/proposals
- View and print specifications on current bids/proposals
- Receive addenda and additional information on current bids/proposals
- View bid tabulations and results on closed bids

It is imperative that Vendors register on the City's web site. The City no longer mails bid/proposal specifications or addenda.

Evaluation Criteria

All proposals will be evaluated according to the following:

- Qualifications and previous successful related work of key project personnel particularly those with successful experience working with similar size and demographic consistent communities.
- Qualifications and previous related work of the firm with regard to working with similar sized municipalities and market demographics including the firm's experience and available resources to produce a reliable study that will be valued by potential owners/developers.
- A complete understanding of the project goals, market demographics and local/regional attributes.
- Demonstrated experience with similar projects and communities
- The approach your team will take with examples of previous project experience showcasing the firm's creativity and innovation to achieve project goals and objectives.
- A detailed listing of proposed fees and schedule to complete project.

Selection Process

The City will begin the evaluation process for all submitted proposals immediately after the due date. The firm, selected by the City, will begin negotiations on the final scope of services and fixed fee agreement. If an agreement cannot be negotiated and agreed to by both sides the City reserves the right to begin negotiations with the next firm until an agreement is reached.

The negotiated contract will be submitted to the Wichita Falls City Council for final approval.

Additional Information

Prospective proposers are cautioned that in no event shall failure to familiarize themselves with the requirements of this solicitation or to resolve ambiguous or inconsistent terms or conditions of this solicitation or proposed resultant Contract constitute grounds for a claim of any kind after resultant Contract award. All requests for additional information or clarification of the proposal documents must be submitted in writing to Peggy Gahagan, Purchasing Agent at peggy.gahagan@wichitafallstx.gov before 2:00 p.m. Friday, November 14, 2014. Addendums will be issued via the City website.

Reservation of Rights

The City reserves the right to accept or reject any or all proposals, or any part thereof, and to accept that offer considered most advantageous to the City. The City may also waive any minor informalities or irregularities in any proposal.